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SUBJECT: NATIONAL ASSEMBLY PASSES SECURITY LAW, BLASTS PM ON GOVERNMENT CORRUPTION

REF: Hanoi 2380

- 11. (SBU) Summary. The National Assembly (NA) ended its autumn session on December 4 after passing six new laws, including two on publishing and national security. The contents of the National Security law have not been released, but they reportedly seek to rein in the military's intelligence service. The most high-profile issue of the session was corruption, however. For the first time, the Prime Minister agreed to an open question session and was faced with tough inquiries over both his personal faced with tough inquiries over both his personal responsibility for systemic corruption and the Party's determination to combat this problem. The active debate during the session reflects the National Assembly's continued efforts to develop a government watchdog role. End Summary.
- $\P 2.$ (U) During the National Assembly's autumn session, which ran from October 25 to December 4, delegates passed laws on competition, electricity, forest protection and development, national security, publishing and the issuance of law-regulated documents by nationwide People's Councils and People's Committees. The legislature also held special sessions for discussions on the education system and infrastructure development. The National Assembly subsequently passed resolutions on measures to be taken by Government agencies to revamp the national education system and rectify waste and corruption in public investment on large infrastructure projects.
- 13. (SBU) Senior Colonel Tran Nhung from Quan Doi Nhan Dan (People's Army) newspaper told Pol FSN that the law on national security is designed to decrease the influence and power of the counter-intelligence General Department Number Two (GD2) of the Ministry of National Defense. The department was reportedly given considerable power and free rein under former President Le Duc Anh. Col. Nhung said the national security law was passed under pressure from former high-ranking military officials who had become victims of illegal activities conducted by GD2. The department had attempted to destroy the reputations of certain ranking Party and military officials for the sake of factional struggles within the Party. (Note: General Vo Nguyen Giap wrote a letter to the Party Central Committee last January condemning the activities of GD2 (Reftel). End note.) new law, which is unlikely ever to be publicly released, reportedly places GD2 back under the jurisdiction of the Ministry of National Defense, instead of having it as a functional subordinate of the CPV Politburo, said Nhung.
- 14. (SBU) The new law on publishing requires that owners of publishing houses, not authors of items to be published, must be responsible for the "political quality publications. It also allows private investors to "participate in some parts of the publication process." During the session, there was considerable debate among delegates as to whether the law should allow the establishment of non-State publishing houses, although this was not included in the final document. Do Thu Ha, a journalist from Tuoi Tre (Youth) newspaper, commented that the publishing law at least acknowledges the fact that private investors have been playing an important role in the publishing industry.
- (U) Poor planning and corruption in large GVN infrastructure projects shaped a significant part of the National Assembly's session and was widely reported in the press. Delegates overwhelmingly opposed a GVN proposal to put authority for the revamped State Audit Office under the Government, arguing that, in order to make it autonomous, it should report directly to the National Assembly. The office currently exists as an agency attached to the Government, but the Assembly is in preliminary discussions about a bill, expected to be passed in 2005, that will strengthen the institution. The revised Audit Office would begin operation by 2006. The legislature also scheduled a bill on anticorruption to be debated in its spring 2005 session (and eventually passed in its autumn session later that year.)
- 16. (SBU) On December 4, Prime Minister Phan Van Khai, first for any PM, took questions from National Assembly

members during one of the routine Q&A sessions with cabinet members that were televised live at the end of the session. Questioning the PM, delegate Le Quang Binh, head of the legislature's Board for People's Aspirations (which is responsible for collecting public opinions and bringing them to the National Assembly's attention), pointedly said that there is widespread public concern about waste and losses on investment in infrastructure construction, inefficient investment of the State's budget and government corruption. Delegate Duong Trung Quoc demanded the PM himself take personal responsibility for the mistakes and wrongdoings of his fellow ministers. Delegate Nguyen Ngoc Tran not only requested that an inter-agency committee be set up soon to coordinate anti-corruption efforts, but also questioned the Prime Minister about the role of the CPV Politburo. bureau/ministry is more powerful than the Politburo. issue remains whether it is determined to combat corruption," Tran said. Colonel Tran Nhung commented to Pol FSN that, "two years ago, no one could imagine" a delegate making such a strong statement.

- 17. (U) PM Khai spent much of his time in the open session explaining his anti-corruption plan for the years to come. Khai proposed establishing an "independent" anti-corruption office, separate from the State Audit Office, which would coordinate inter-ministerial efforts to combat corruption. Speaking to local press about the proposal, senior GVN officials claimed there is a current lack of mechanisms, policies and personnel to carry-out anti-corruption efforts. The Government Inspectorate, which serves as the official watchdog agency, is merely responsible for general oversight of the fight against corruption. The new anti-corruption office, once established, must be able to lay down specific plans to combat corruption, opined Vu Pham Quyet Thang, deputy head of the Government Inspectorate.
- 18. (SBU) Comment. The overall results of the autumn session are emblematic of the role the National Assembly would like to carve out for itself. The bold way that it seized upon the corruption issue and the willingness of delegates to question the dedication of the Party to tackling corruption reflect both deep public concern about the issue as well as the National Assembly's willingness to act as a "voice of the people," even when it may embarrass the GVN. Lest one attribute the legislature too much autonomy, however, the Publishing Law is a good example of the body's limits. Delegates initially spoke out broadly in support of the creation of private publishing houses. However, when the GVN -- presumably largely the security minded ministries -- weighed in behind closed doors, the final law came out considerably more tepid. Finally the National Security Law, which is of considerable importance, was dispatched quickly and with little fanfare. It was likely decided at higher levels and given to the legislature as a fait accompli. End Comment.

BOARDMAN